

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

KENTUCKY UTILITIES COMPANY)
_____))
ALLEGED FAILURE TO COMPLY WITH) CASE NO. 1998-054
ADMINISTRATIVE REGULATION 807 KAR 5:041,)
SECTION 3)

ORDER

On September 11, 1998, the Commission directed that this proceeding be held in abeyance pending the outcome of judicial proceedings on the Commission's authority to assess a penalty against an electric utility for the failure of its contractors to operate and maintain the electric utility's facilities in accordance with Commission regulations. The courts of this Commonwealth having addressed this issue and ascertained the scope and nature of the Commission's authority, Public Service Commission v. Jackson County Rural Electric Cooperative Corporation, Ky.App., 50 S.W.3d 764 (2000), the Commission finds that this proceeding should resume.

IT IS THEREFORE ORDERED that:

1. Kentucky Utilities Company ("KU") shall appear before the Commission on November 6, 2001 at 9:00 a.m., Eastern Standard Time, in Hearing Room 2 of the Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, for the purpose of presenting evidence concerning its alleged violations of Commission regulations and of showing cause why it should not be subject to the penalties prescribed in KRS 278.990(1) for its alleged violations.

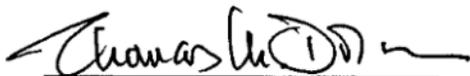
2. KU shall advise the Commission within 20 days of the date of this Order whether it wishes this matter to stand submitted for decision based upon the existing record or wishes to submit further evidence or argument in an alternative manner in lieu of an evidential hearing.

3. Any motion requesting an informal conference with Commission Staff to consider any matter that would aid in the handling or disposition of this proceeding shall be filed with the Commission no later than 20 days from the date of this Order.

Done at Frankfort, Kentucky, this 1st day of October, 2001.

By the Commission

ATTEST:


Executive Director